



**DEPARTMENT OF PUBLIC SAFETY
STATE EMERGENCY MANAGEMENT AGENCY**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2004-37
May 7, 2004
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AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

May 2004

The following problems were discovered as a result of an audit conducted by our office of the Department of Public Safety, State Emergency Management Agency.

Since fiscal year 1999, the State Emergency Management Agency (SEMA) has received federal grant awards for the State Domestic Preparedness Equipment Support Program. The program's objective is to enhance state and local response to a Weapons of Mass Destruction (WMD) terrorism incident involving chemical, biological, nuclear, radiological, incendiary, and explosive devices. From fiscal year 1999 through February 2004, over \$13.6 million has been spent by SEMA on the program, including funds to equip and train twenty-two Homeland Security Response Teams and six Forward Regional Response Teams located throughout the state.

A lack of clear, written minimum staffing level requirements has resulted in understaffing on some teams. SEMA officials indicated the amount of equipment provided correlates to the level of staffing; thus, indicating minimum staffing level requirements. Despite the existence of implied staffing level requirements, SEMA did not obtain, nor require information regarding the teams staffing levels. As a result of this lack of information, SEMA accepted several teams into the program that did not meet the minimum staffing level requirements. Such understaffing could effect team performance in the event of an incident. In addition, because SEMA equips teams based on the Basic Equipment List, the understaffed teams have more equipment than is necessary.

SEMA does not know how much equipment each team has in total or if the equipment is adequately insured. Although SEMA indicated they monitor equipment resources through use of tracking spreadsheets, these spreadsheets do not reflect team equipment resources on a cumulative, perpetual basis. In addition, the spreadsheets were incomplete and inaccurate. Also, SEMA has not conducted site visits or obtained and reviewed inventory and insurance records to ensure compliance.

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YELLOW SHEET

DEPARTMENT OF PUBLIC SAFETY
STATE EMERGENCY MANAGEMENT AGENCY

TABLE OF CONTENTS

	<u>Page</u>
STATE AUDITOR'S REPORT	1-3
MANAGEMENT ADVISORY REPORT - STATE AUDITOR'S FINDING	4-7
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION.....	8-15
<u>Appendix</u>	
A Comparative Statement of Appropriations and Expenditures, Years Ended June 30, 2003 and 2002	12-14
B Comparative Statement of Expenditures (From Appropriations), Years Ended June 30, 2003 and 2002	15

STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

Honorable Bob Holden, Governor
and
Charles R. Jackson, Director
Department of Public Safety
and
Jerry B. Uhlmann, Director
State Emergency Management Agency
Jefferson City, MO 65102

We have audited the Department of Public Safety, State Emergency Management Agency. The scope of this audit included, but was not necessarily limited to, the years ended June 30, 2003 and 2002. The objectives of this audit were to:

1. Review internal controls over significant management and financial functions.
2. Review compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology to accomplish these objectives included reviewing written policies, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. We also performed tests of certain controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of

noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the agency's management and was not subjected to the procedures applied in the audit of the agency.

The accompanying Management Advisory Report presents our finding arising from our audit of the Department of Public Safety, State Emergency Management Agency.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

February 20, 2004 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Alice M. Fast, CPA
In-Charge Auditor:	Dan Vandersteen, CPA
Audit Staff:	Cliff Lewton, CPA

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDING

DEPARTMENT OF PUBLIC SAFETY
STATE EMERGENCY MANAGEMENT AGENCY
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDING

State Domestic Preparedness Equipment Support Program

Since fiscal year 1999, the State Emergency Management Agency (SEMA) has received federal grant awards for the State Domestic Preparedness Equipment Support Program. The program's objective is to enhance the capacity of state and local first responders to respond to a Weapons of Mass Destruction (WMD) terrorism incident involving chemical, biological, nuclear, radiological, incendiary, and explosive devices. Program funding may be used to conduct comprehensive threat and needs assessments and to develop and implement a Statewide Domestic Preparedness Strategy. In addition, program funding may be used to purchase equipment for state and local first responders, and support the planning and conduct of exercises. From fiscal year 1999 through February 2004, over \$13.6 million has been spent by SEMA on the program. SEMA has expended the funds to equip and train twenty-two Homeland Security Response Teams (HSRT's) and six Forward Regional Response Teams (FRRT's) located throughout the state. The results of our audit indicate a need to better manage and monitor the equipment support program.

- A. A lack of clear, written minimum staffing level requirements has resulted in understaffing on some teams. SEMA personnel indicated that staffing requirements were implied by the Basic Equipment List contained in the contract signed by each team. The Basic Equipment List outlines the specific amount and types of equipment to be provided to the teams upon their acceptance into the program. SEMA officials indicated the amount of equipment to be provided correlates to the level of staffing; thus, indicating minimum staffing level requirements. According to the list, HSRT's are to consist of at least twelve hazardous materials personnel, twenty law enforcement personnel, and twelve emergency medical service (EMS) personnel. FRRT's are to consist of at least twelve hazardous materials personnel, ten law enforcement personnel, and eight EMS personnel.

However, despite the existence of implied staffing level requirements, SEMA did not obtain, nor require of the teams at the time of their application, information regarding their staffing levels. As a result of this lack of information, SEMA accepted several teams into the program that did not meet the minimum staffing level requirements. As of February 2004, six of the twenty-two (27 percent) HSRT's and two of the six (33 percent) FRRT's are understaffed in at least one of the disciplines. One team has only eight, instead of twelve hazardous materials personnel. The teams are understaffed on law enforcement from three to fifteen personnel and on EMS from two to eight personnel. Such understaffing could effect team performance in the event of an incident. In addition, because SEMA

equips teams based on the Basic Equipment List, the understaffed teams have more equipment than is necessary. Over time, this excess equipment may suffer from a lack of use or become obsolete.

SEMA should establish clear, written minimum staffing level requirements for the teams. Such requirements should be enforced when additional teams apply for inclusion in the program. In addition, SEMA should take the necessary steps to ensure existing teams meet minimum staffing level requirements.

- B. SEMA has not established an adequate monitoring system for the State Domestic Preparedness Program. Currently, SEMA does not possess complete or accurate information regarding team equipment and personnel resources. As a result, the state has a reduced ability to coordinate and direct activities of the teams in the event of an incident. In addition to providing information needed to coordinate the teams, federal grant requirements require subrecipient monitoring.

1. SEMA does not know how much equipment each team has in total or if the equipment is adequately insured, as required by the contract. Although SEMA indicated they monitor equipment resources through use of tracking spreadsheets indicating budget and actual purchases by the teams, these spreadsheets do not reflect team equipment resources on a cumulative, perpetual basis. Therefore, SEMA has no single record reflecting a team's cumulative equipment resources. In addition, our testing revealed the spreadsheets were incomplete and inaccurate. Three of ten purchases tested (30 percent) were recorded at the wrong amount, and three of thirteen purchases tested (23 percent) were not recorded as a purchase.

Although teams are responsible for maintaining equipment inventory records and contracts with the teams require insurance coverage on team equipment, SEMA has not conducted site visits or obtained and reviewed such inventory and insurance records to ensure compliance.

2. Although SEMA has recently begun efforts to obtain certain statistical information about team personnel, the information currently on hand is incomplete and appears inaccurate. Four of the twenty-eight teams have yet to submit their statistical information, virtually all teams submitted incomplete reports, and some inaccuracies appear to exist on other reports. For example, one team report indicated it had more personnel with certifications than personnel on the team.

SEMA should continue to work on establishing an adequate system of monitoring the program to include the development of equipment and personnel resource listings. Not knowing the statewide personnel and equipment resources available and overall abilities of the teams could hamper SEMA's ability to perform one of

its basic functions, coordinating and directing activities of the state and teams in the event of a significant incident.

WE RECOMMEND the SEMA:

- A. Establish and enforce clear, written minimum staffing level requirements for the teams. In addition, the SEMA should take the necessary steps to ensure existing teams meet minimum staffing level requirements.
- B. Continue to work on establishing an adequate system of monitoring the program to include the development of equipment and personnel resource listings and ensuring compliance with team contract provisions.

AUDITEE'S RESPONSE

- A. *We agree with this recommendation and will implement. Staffing levels and equipment standards are addressed in our amended memorandum of agreement. We are in the process of evaluating the teams for compliance. Once the equipment is purchased and distributed, the vendors or training contractors provide training for the assigned personnel.*
- B. *We agree with the recommendation. We are in the process of evaluating each team. The prior year grants are being closed out, and as this happens, each recipient will be audited for compliance. A contractor will be selected in the near future to do an evaluation and review of staffing levels, equipment, training, and conduct exercises to evaluate team capability and make recommendations for any corrective action as needed.*

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

DEPARTMENT OF PUBLIC SAFETY
STATE EMERGENCY MANAGEMENT AGENCY
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The State Emergency Management Agency (SEMA) was created by statute in 1951 as a division of the executive branch of state government. The agency was transferred to the Office of the Adjutant General by executive order on October 1, 1966. The 74th General Assembly confirmed the transfer in 1967. The State Omnibus Reorganization Act of 1974 transferred the Office of the Adjutant General to the Department of Public Safety. Chapter 44, RSMo 1978, gives detailed provisions as to the organization and function of SEMA.

SEMA, in cooperation with local, state, and federal governments, is responsible for developing statewide all hazard plans, hazard mitigation plans, and administering state and federal programs. In the event of a Presidential Disaster Declaration, and after the signing of a federal-state disaster agreement, SEMA coordinates and serves as a liaison between the Federal Emergency Management Agency (FEMA) and victims of natural disasters for the payments of disaster assistance claims ranging from temporary housing to mitigation. When damages occur to publicly owned property, SEMA in cooperation with FEMA conducts damage assessments, writes project scope of work, administers federal funds to local communities, and conducts closeout project audits.

In the event of a major statewide natural or man-made disaster, the governor, state officials and support staff coordinate state agency response from the State Emergency Operations Center (SEOC). The SEOC is located 18-feet underground at the Adjutant General's Headquarters of the Missouri National Guard, ISTS (Ike Skelton Training Site) on Militia Drive in Jefferson City. The SEOC is designed and built to provide protection from radioactive fallout and earthquakes. The SEOC has back up generators, an independent water system, a communications center and a computer system for continuity of government for disaster response. The SEOC is occupied and used on a daily basis as the regular offices of SEMA to assure operational readiness in the event of an emergency.

The executive officials of local political subdivisions appoint the county and city directors of emergency management. About 90 percent of all local emergency management directors are volunteers or are paid on a part-time basis. SEMA provides training, guidance, and assistance to the local organizations but does not command or control their activities.

The SEMA Director supervises the day-to-day operations of the agency. During normal working conditions, he reports to the Adjutant General and coordinates certain activities with the Director of Public Safety, the Director of Homeland Security, and the Governor's Office.

During a disaster, the SEMA Director reports directly to the Governor's Office. The Governor has the responsibility of carrying out all or any part of the emergency response functions within the state.

The following describes the organization and functions of SEMA's branches:

Executive Branch:

- Direction and control of state response
- Emergency public information
- Information technology
- Statewide Disaster Coordinator (Citizen Corps Coordinator)
- Missouri Emergency Response Commission (MERC)
 - Tier II forms
 - SARA Title II grants to Local Emergency Planning Committees
 - Hazardous materials training to local fire, law and EMS

Fiscal Branch:

- Department of Homeland Security FEMA Emergency Management Preparedness Grants (85 local communities and state office)
- Personnel
- Procurement
- Grants Management
- Legislation
- Audits
- Office Support

Operations Branch:

- Department of Homeland Security Office of Domestic Preparedness Grants (28 regional HS response teams, terrorism and all hazard planning, terrorism exercises and weapons of mass destruction training, CERT program)
- Radiological emergency planning
- Communications
- Training and exercises
- 911 Coordinating Board

Planning and Disaster Response Branch:

- Area coordinator program
- All hazard plans (state plan and 169 local emergency operations plans – 114 counties and 45 communities with population over 5,000)
- Damage assessments (individual assistance, public assistance)
- Disaster recovery efforts

Floodplain and Mitigation Branch:

- Floodplain management, community visits
- All hazard mitigation planning
- Buyout program
- Earthquake program
- Missouri Seismic Safety Commission
- SAVE Coalition (Structural Assessment Visual Evaluation of post EQ damaged buildings)

Jerry B. Uhlmann has served as Director since March 20, 1993. The agency has 65 full-time employees.

Appendix A

DEPARTMENT OF PUBLIC SAFETY
STATE EMERGENCY MANAGEMENT AGENCY
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2003			2002		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Administration and Emergency Operations -						
Personal Service	\$ 1,521,486	1,460,216	61,270	1,521,486	1,396,218	125,268
Expense and Equipment	252,970	190,613	62,357	267,970	218,435	49,535
All allotments, grants, and contributions from federal and other sources that are deposited in the State Treasury for administrative and training expenses of the State Emergency Management Agency	3,826,001	3,825,990	11	1,141,264	1,062,795	78,469
Implementing homeland security measures	343,351	202,343	141,008	0	0	0
Total General Revenue Fund	5,943,808	5,679,162	264,646	2,930,720	2,677,448	253,272
FACILITIES MAINTENANCE RESERVE FUND						
Unprogrammed requirements for facilities statewide	0	0	0	58,405	58,405	0
Repairs to the Route C tower site	3,750	0	3,750	13,502	9,752	3,750 *
Total Facilities Maintenance Reserve Fund	3,750	0	3,750	71,907	68,157	3,750
STATE EMERGENCY MANAGEMENT FUND						
The Community Right-to-Know Act	350,000	286,184	63,816	350,000	283,817	66,183
To provide matching funds for federal grants received under Public Law 93-288 and for emergency assistance expenses of the State Emergency Management Agency as provided in Section 44.032, RSMo.	7,500,000	5,265,255	2,234,745	2,250,000	2,095,570	154,430
Local hazard mitigation projects under the Flood Mitigation Assistance Program -						
Personal Service	974,756	784,394	190,362	874,756	787,914	86,842
Expense and Equipment	216,023	204,628	11,395	216,023	215,678	345
Total State Emergency Management Fund	9,040,779	6,540,461	2,500,318	3,690,779	3,382,979	307,800

Appendix A

DEPARTMENT OF PUBLIC SAFETY
STATE EMERGENCY MANAGEMENT AGENCY
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2003			2002		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
HOMELAND SECURITY FUND						
For the purposes of funding homeland security initiatives to be administered by the State Emergency Management Agency -						
To the Department of Agriculture	376,341	260,279	116,062	0	0	0
To the Department of Natural Resources	432,401	74,504	357,897	0	0	0
Implementing homeland security measures	1,054,927	629,233	425,694	0	0	0
Total Homeland Security Fund	1,863,669	964,016	899,653	0	0	0
CHEMICAL EMERGENCY PREPAREDNESS FUND						
Local hazard mitigation projects under the Flood Mitigation Assistance Program -						
Personal Service	161,988	110,365	51,623	161,988	149,716	12,272
Expense and Equipment	68,884	29,906	38,978	68,884	68,658	226
Distribution of funds to local emergency planning commissions to implement the federal Hazardous Materials Transportation Uniform Safety Act of 1990	650,000	406,329	243,671	650,000	439,580	210,420
Total Chemical Emergency Preparedness Fund	880,872	546,600	334,272	880,872	657,954	222,918

Appendix A

DEPARTMENT OF PUBLIC SAFETY
STATE EMERGENCY MANAGEMENT AGENCY
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2003			2002		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
MISSOURI DISASTER FUND						
Allotments, grants, and contributions from federal and other sources that are deposited in the State Treasury for the use of the State Emergency Management Agency for alleviating distress from disasters	59,400,000	59,350,548	49,452	21,200,000	20,862,772	337,228
Total Missouri Disaster Fund	59,400,000	59,350,548	49,452	21,200,000	20,862,772	337,228
Total All Funds	\$ 77,132,878	73,080,787	4,052,091	28,774,278	27,649,310	1,124,968

* Biennial appropriations set up in fiscal year 2002 are re-appropriations to fiscal year 2003. After the fiscal year-end processing has been completed, the unexpended fiscal year 2002 appropriation balance for a biennial appropriation is established in fiscal year 2003. Therefore, there is no lapsed balance for a biennial appropriation at the end of fiscal year 2002.

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2003	2002
Administration and Emergency Operations -		
Personal Service	\$ 61,041	125,040
Expense and Equipment	61,472	49,474
Implementing homeland security measures	138,708	0
Repairs to the Route C tower site	3,750	0
Total Withholdings	\$ 264,971	174,514

Appendix B

DEPARTMENT OF PUBLIC SAFETY STATE EMERGENCY MANAGEMENT AGENCY COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,	
	2003	2002
Salaries and wages	\$ 2,941,052	2,350,869
Travel	447,098	297,935
Supplies	224,795	192,457
Professional development	60,167	78,011
Communication services and supplies	112,092	97,636
Services:		
Professional	409,770	237,320
Housekeeping and janitorial	645	0
Maintenance and repair	82,673	63,989
Equipment:		
Computer	172,335	93,444
Motorized	38,000	0
Office	41,893	38,472
Other	99,937	73,917
Property and improvements	0	67,553
Real property rentals and leases	4,470	16,614
Equipment rental and leases	3,552	7,925
Miscellaneous expenses	122,039	57,665
Refunds	21,989	0
Program distributions	68,298,280	23,975,503
Total Expenditures	\$ 73,080,787	27,649,310